



**CITY OF LODI
COUNCIL COMMUNICATION**

AGENDA TITLE: Adopt resolution authorizing the City Manager to allocate Public Benefit Program funds to extend for one year the *Lodi House-As-A-System Inspection Program*; and authorizing the City Manager to execute a contract with the Energy Doctor, Incorporated to provide inspection services for this program (\$90,000) (EUD)

MEETING DATE: August 18, 2004

PREPARED BY: Electric Utility Director

RECOMMENDED ACTION: That the City Council adopt a resolution authorizing the City Manager to allocate \$90,000 in Public Benefit Program funds to extend for one year the *Lodi House-As-A-System Inspection Program*; and authorizing the City Manager to execute a contract with the Energy Doctor, Incorporated to provide the inspection services for this program.

BACKGROUND INFORMATION: This residential energy efficiency program was launched in August of 2003. To date, 345 residential, single-family dwellings have been inspected as part of this unique, California-first program. By way of this Council agenda item, Electric Utility staff is requesting and recommending that the *Lodi House-As-A-System Inspection Program* be continued for an additional year (July 8, 2004 – June 30, 2005, or until funds are exhausted), and that the Energy Doctor, Incorporated be retained as the selected contractor for the testing and inspection elements of the program.

The *Lodi House-As-A-System Inspection Program* involves the use of highly-specialized, computer diagnostics testing equipment which examines a home's air delivery system. The equipment monitors and interprets the air flow and air return of the existing air duct or delivery system within a single-family dwelling (the testing can also be utilized at duplexes, triplexes, as well as small commercial buildings). This diagnostics test is a crucial first step in identifying whether or not the home's heating and air conditioning system is operating at peak performance. If we identify that either the air supply system or the air return system, OR both, are improperly designed, or have reached replacement age, we provide the customer with the results of the testing, as well as recommendations for system repair. It is imperative that the air duct system be functioning at its peak, or the comfort level within the dwelling will be difficult to achieve and/or maintain. A faulty or poorly designed air delivery system has a direct effect on total energy consumption; thus, by improving the air delivery system, a customer can reduce electric and/or natural gas usage.

The proposed 2004-2005 program will be identical to the existing *Lodi House-As-A-System Inspection Program*, and rebates will continue to be offered for the repair or replacement of duct systems, **after** a customer has participated in the inspection program.

APPROVED:

JANET S. KEETER, Interim City Manager

Adopt resolution authorizing the City Manager to allocate Public Benefit Program funds to extend for one year the *Lodi House-As-A-System Inspection Program*; and authorizing the City Manager to execute a contract with the Energy Doctor, Incorporated to provide inspection services for this program (\$90,000)
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Electric Utility staff recommends utilizing the services of the Energy Doctor, Incorporated. The Lodi-based firm has worked directly with the City of Lodi Electric Utility on its air duct programs for over five years; the total price of the contract is \$90,000, and it commits the Energy Doctor, Incorporated to performing 450 home inspections during the upcoming fiscal year.

Note: Due to the Energy Doctor's existing business relationship with the City of Lodi, and their expertise in this arena, the City of Lodi Electric Utility respectfully requests that the Lodi City Council dispense with going out to bid pursuant to Lodi Municipal Code 3.20.070.

Based upon the tremendous success of the 2003-2004 *Lodi House-As-A-System Inspection Program*, Electric Utility staff respectfully recommends approval of this item as a qualifying energy efficient component of the City of Lodi Public Benefits Program.

FUNDING: 164605 Public Benefits Program (Category: Demand-side Management)

Funding Approval:


James R. Krueger, Finance Director


Alan N. Vallow
Electric Utility Director

PREPARED BY: Rob Lechner, Manager of Customer Service and Programs

ANV/RL/lt

cc: City Attorney

RESOLUTION NO. 2004-162

A RESOLUTION OF THE LODI CITY COUNCIL AUTHORIZING
THE CITY MANAGER TO ALLOCATE PUBLIC BENEFITS
PROGRAM FUNDS TO EXTEND THE HOUSE-AS-A-SYSTEM
INSPECTION PROGRAM AND TO EXECUTE A CONTRACT
WITH THE ENERGY DOCTOR, INC.

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WHEREAS, the state has mandated that beginning January 1, 1998, the City of Lodi is obligated to fund various programs through a Public Benefits Charge (PBC) based on an historical electric revenue requirement; and

WHEREAS, the requirement amounts to approximately \$1 million per year that must be dedicated to qualifying programs such as energy efficiency. A further stipulation is that these efforts must be done on the customer's side of the meter in order to qualify; and

WHEREAS, the City of Lodi's Public Benefits Program is comprised of four segments or customer groups: commercial/industrial, residential, community/non-profit, and municipal; and

WHEREAS, this request for a Public Benefits grant in the amount of \$90,000.00 is specifically designed to extend a residential program called the House-As-A-System Inspection Program, wherein the *Lodi House-As-A-System Inspection Program* involves the use of highly-specialized, computer diagnostics testing equipment which examines a home's air delivery system. The equipment monitors and interprets the airflow and air return of the existing air duct or delivery system within a single-family dwelling (the testing can also be utilized at duplexes, triplexes, as well as small commercial buildings). This diagnostics test is a crucial first step in identifying whether or not the home's heating and air conditioning system is operating at peak performance. If we identify that either the air supply system or the air return system, OR both, are improperly designed, or have reached replacement age, we provide the customer with the results of the testing, as well as recommendations for system repair. It is imperative that the air duct system be functioning at its peak, or the comfort level within the dwelling will be difficult to achieve and/or maintain. A faulty or poorly designed air delivery system has a direct effect on total energy consumption; thus, by improving the air delivery system, a customer can reduce electric and/or natural gas usage; and

WHEREAS, the proposed 2004-05 program will be identical to the existing *Lodi House-As-A-System Inspection Program*, and rebates will continue to be offered for the repair or replacement of duct systems, **after** a customer has participated in the inspection program; and

WHEREAS, staff recommends extending the House-As-A-System Inspection Program as a qualifying component of the City of Lodi Public Benefits Program; and

WHEREAS, staff recommends utilizing Energy Doctor's existing business relationship with the City of Lodi and their expertise in this arena, thereby dispensing with going out to bid pursuant to Lodi Municipal Code 3.20.070; and

NOW, THEREFORE, BE IT RESOLVED that the Lodi City Council does hereby authorize the City Manager to provide a Public Benefits Program grant in the amount of \$90,000.00 to fund the House-As-A-System Inspection Program; and

BE IT FURTHER RESOLVED that the City Manager is hereby authorized and directed to execute a contract with Energy Doctor, Inc. to provide inspection services for this program; and

BE IT FURTHER RESOLVED that the program will begin July 8, 2004, and end on June 30, 2005, or until funds are exhausted.

Dated: August 18, 2004

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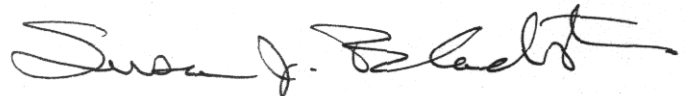
I hereby certify that Resolution No. 2004-162 was passed and adopted by the Lodi City Council in a regular meeting held August 18, 2004, by the following vote:

AYES: COUNCIL MEMBERS – Beckman, Hitchcock, Howard, Land, and Mayor Hansen

NOES: COUNCIL MEMBERS – None

ABSENT: COUNCIL MEMBERS – None

ABSTAIN: COUNCIL MEMBERS – None



SUSAN J. BLACKSTON
City Clerk